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C O N F I D E N T I A L SECTION 01 OF 02 LUXEMBOURG 000494

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BRUSSELS FOR DAO FAGUNDES AND ODC SALVI

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TAGS: [MARR](#) [PGOV](#) [NATO](#) [MOPS](#) [PREL](#) [EU](#) [LU](#)
SUBJECT: LUXEMBOURG APPROVES COMPREHENSIVE MILITARY REFORM
PACKAGE

REF: A. 06 LUXEMBOURG 44
[1](#)B. 06 LUXEMBOURG 347

Classified By: DCM Steven H. Kraft for Reasons 1.4 b & d

[1](#)1. (C) SUMMARY. The Luxembourg Parliament passed a long-anticipated military reform package on 19 December 2007 without objection. Key provisions include the creation of "Available Operational Units" (or UDO in French) which are available for service abroad, expanding the size of the army by nearly 25%, extending the standard enlistment contract, and elevating the position of the CHOD to the rank of general. In parallel, a bill was also passed which authorized 155 million EUR for the procurement of new army equipment and increased spending to develop specialized niche capacities. Of all of these, the creation of the UDOs is the most significant to our interests as it will allow Luxembourg greater flexibility to plan for future participation in NATO and EU operations such as the NRF and EU Battle Groups. END SUMMARY.

[1](#)2. (U) On 19 December the Luxembourg Chamber of Deputies passed a long-awaited comprehensive military reform package that was more than three years in the making (Refs A & B) by a unanimous vote, though with 7 abstentions. The bill creates "Unites de disponibilite operationnelle" (UDO) (or "Available Operational Units" in English) and all personnel assigned to UDOs are available for service abroad by virtue of their contract, another change authorized in this legislation. In return for their availability for service abroad, UDO soldiers will receive a bonus of 350 EUR per month as well as increased preference in post-military service civil service hiring. In order to man the UDOs the bill also authorizes an increase in total army end strength from 1,127 to 1,390. Finally, the bill also elevates the CHOD to the rank of general vice the current rank of colonel.

[1](#)3. (U) At the same time a second bill was also approved which authorized the expenditure of 155 million EUR in defense spending. 120 million of this was specifically designated for the purchase of reconnaissance vehicles, 20 million for tactical vehicles, and 15 million for logistical vehicles. The bill also authorizes further expenditures in previously-identified 'niche capacities' which the GOL has sought to further develop including water purification, de-mining/EOD, and communications support (Ref B).

[1](#)4. (U) These changes will give Luxembourg the flexibility to plan for participation in future NATO and EU missions. To

this point, the Luxembourg Army was unable to exactly pre-determine how many soldiers would be available for deployment abroad and thus unable to provide a figure to political decision-makers for planning participation in future NATO/EU operations. The creation of the UDOs now gives the GOL a reliable cadre of professional soldiers whom it knows it can count upon for future planning considerations. This is especially important as Luxembourg has already committed to participating in the French-German EU Battle Group during the 2nd half of 2008 as well as committing a reconnaissance platoon to NRF 15 in 2010.

15. (U) The opposition DP (Liberal) and ADR (far Right) parties voted with the government and were mostly supportive in their comments. Criticism of the proposed reforms, both during the public and parliamentary debates, focused almost exclusively on two issues - the impact of the increase in military spending on Luxembourg's budget deficit and the possible creation of a "2-class" army. In their somewhat negative opinions, both the Council of State (the upper consultative body of Parliament) and Chamber of Commerce both raised serious concerns about the budget deficit. For their part, the Greens and press focused on what the Greens called the creation of a "2-speed army" where some units had different contracts, were paid more, were better equipped, and were afforded better post-military employment opportunities (the UDOs) than the others. In the end, the only formally-recorded discontent with the bill was the 7 MPs from the Greens who abstained from the 19 December vote.

16. (C) COMMENT. These reforms are very a positive development for Luxembourg in terms of its ability to participate in NATO and EU missions. Post has been

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encouraging the GOL to institute these reforms since they were first proposed by the then-newly formed government in 2004. The resounding lack of any significant opposition in the end seems to validate the GOL's relatively slow approach towards the reform process. Despite the very small size of its army, Luxembourg has maintained a significant op-tempo in terms of forces deployed in support of missions including ISAF, KFOR, the EU missions in Bosnia, Congo, and Chad, and UNFIL (Lebanon). END COMMENT.
WAGNER